

NOTES

PART III -- POST AWARD REQUIREMENTS

Chapter 1: Payments

Highlights of Chapter:

- ◆ Payment Methods
- ◆ Withholding of Funds
- ◆ Minimum Cash on Hand
- ◆ Interest Earned
- ◆ Cash Management Improvement Act of 1990

Payment Methods.

The Office of Justice Programs (OJP) offers two methods for requesting payment of grant funds which are Letter-of-Credit Electronic Certification System (LOCES) and the Phone Activated Paperless Request System (PAPRS). Recipients are required to complete the ACH, electronic funds transfer form. Funds will be available by electronic transfer only. Recipients are also reminded to coordinate with their respective financial institutions for an addendum record which contains payment related information for their records. Additionally, in order for a recipient to receive payments requested, a current SF-269A for the grant on which payment is requested must be on file with OJP.

LOCES is a modem connection service that allows recipients of OJP funds to electronically request payment from OJP on one day and receive a direct deposit to their bank for the requested funds usually on the following day. To make requests for payment through LOCES, an organization must have a personal computer with a 1200 or 2400 baud capable modem operating with DOS 3.1 or later. OJP requires the contact names, telephone numbers, and addresses of various individuals who will be involved in LOCES. After the LOCES Computer Information Form is received, a complete information package is sent out which contains the Vendor Express enrollment form, SF 3881. After this form is received, the LOCES program diskette and passwords are mailed separately to the authorized user to ensure security of the system.

PAPRS allows grant recipients immediate access to OJP funds through the use of a touch tone telephone. The use of electronic means to transfer money from the U.S. Treasury became law under the Debt Collection Improvement Act passed by Congress and signed by President Clinton effective July 26, 1996. Grant recipients should complete and return the Automated Clearing House (ACH) Enrollment Form included in the PAPRS information packet and return it to the OJP/OC Accounting Division (AD). Through the combined use of PAPRS and ACH, approved requests will be deposited into the grantee's financial institution within 48 hours. The grantee will receive their password/PIN and corresponding Grant ID numbers from AD. The password is to be given only to authorized persons of the grantee organization and not given to subgrantees. The recipient is solely responsible for the security of this access code. AD provides a user manual that has instructions for using the system.

Withholding of Funds. When a recipient organization receiving cash funds by letter of credit or by electronic transfer of funds to the grantee's financial institution demonstrates: (1) an